

onemies Reports

President Johnson asked department and agency heads yesterday to "set an example of prudence and economy" so that the Government will get "a dollar's value for a dollar spent."

In a memorandum issued late yesterday afternoon, Mr. Johnson called for the prompt submission of reports on "major cost reduction actions taken during the past year" and proposals "to take in the next year to tighten . . . operations and effect savings."

The President prepared the memorandum just three days after he had pledged in his special message to Congress on Wednesday that he would administer the Government with thrift and frugality.

Budget Decisions Near

Mr. Johnson's emphasis on economy comes as final decisions have to be made on the 1965 budget and as the drive for President Kennedy's tax program is renewed on Capitol Hill.

Like Mr. Kennedy, Mr. Johnson has placed the tax reduction and civil rights bills at the top of his list of legislative priorities.

Mr. Johnson obviously realizes, as Mr. Kennedy did, that a frugal 1965 budget must be placed before Congress next January if the tax bill is not to run into further trouble on Capitol Hill.

A good deal of Mr. Johnson's time in his first week in office has been taken up with budget matters. On Monday he will confer for the second time in a week with Budget Director Kermit Gordon and Secretary of Defense Robert S. McNamara on the 1965 budget. Defense spending accounts for more than half of the budget.

Plans for 'Frugality'

Mr. Johnson said in his memorandum he would:

• Hold budget requests "to the barest minimum" consistent with the efficient discharge of our domestic and foreign responsibilities.

• Support administrative or legislative changes eliminating unnecessary procedures, curtailing or dropping programs of "low utility" and instituting consolidations and other economies.

• Back salary scales to "retain and recruit talented, energetic and imaginative employees."

• Give increased recognition to agencies and individuals making "notable advances in providing efficient service at lower cost."

The President called on department and agency heads to make their units models of good management and administration, hold manpower needs to a minimum and to make clear to each employee that he is responsible for "devising and proposing ways to improve his performance."

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